

FISCAL TOPICS

Fiscal Services Division

December 29, 2017



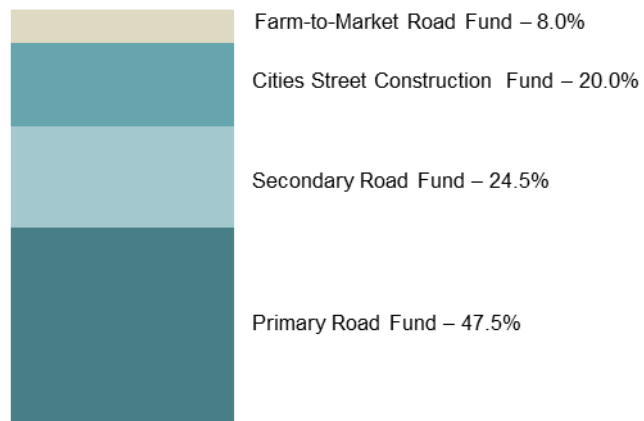
Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Statutory Off-the-Top Allocations from the Road Use Tax Fund — FY 2017

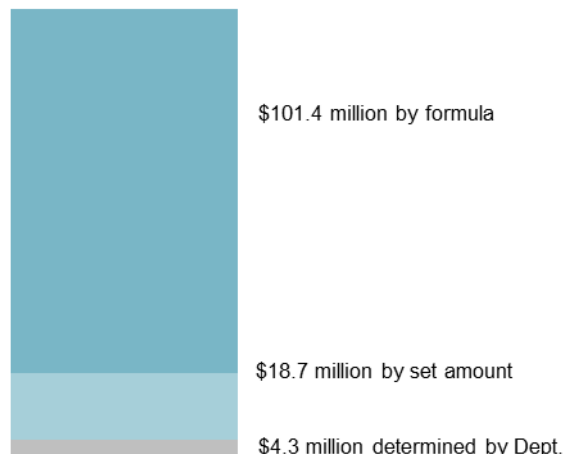
This **Fiscal Topic** will examine the statutory allocations from the Road Use Tax Fund (RUTF) in FY 2017. The RUTF is the main collection point for road funding revenue in Iowa. Revenue deposited in the RUTF is distributed to four different road funds by formula set out in Iowa Code section [312.2](#), as displayed on the right.



Prior to distribution, some revenue is diverted to the TIME-21 Fund,¹ off-the-top statutory allocations, and appropriations² which reduce the funds available for distribution. Off-the-top statutory allocations are distributed by Code. There are a total of 18 separate allocations that are:

- Static amounts set in Code.
- Amounts based upon formula.
- Amounts based upon Department requirements.

In FY 2017, a total of \$124.4 million in off-the-top statutory allocations were distributed, as displayed on the right.



¹ The TIME-21 Fund was created in 2008. The TIME-21 Fund receives all annual vehicle registration fees in excess of \$392 million, along with increases in trailer registration fees, and title and salvage title fee increases per Iowa Code ch. [312A](#). In FY 2017, the TIME-21 Fund collected \$210.2 million in revenue.

² In FY 2017, there was a total of \$52.9 million in appropriations.

More Information

Iowa General Assembly: www.legis.iowa.gov
LSA Staff Contact: Michael Guanci (515.729.7755) michael.guanci@legis.iowa.gov

The following table briefly describes each allocation and amount for FY 2017.

Allocated to:	FY 2017	Formula	Year Enacted
Commercial and Industrial Network (CIN) Allocation to the Primary Road Fund (PRF) for construction and maintenance on the CIN. The Network consists of highways within the primary road system that meet certain standards determined by the DOT Commission. The purpose of the Network is to enhance the State's economy through an improved flow of commerce and safer travel and to better connect Iowa with regional, national, and international markets.	\$36.0 million	10.0% of total new registration fees collected.	1989
Revitalize Iowa's Sound Economy (RISE) Supports the RISE program. RISE funds are divided between the DOT, counties, and cities for road projects that support economic development. (Iowa Code ch. 315).	State: \$24.2 million County: \$6.1 million City: \$12.1 million	1.75 cents per gallon to RISE DOT: 1.0 cent Counties: 0.25 cent Cities: 0.50 cent Iowa Code section 312.2 (9)	1985
Secondary Road Fund Allocation to the Secondary Road Fund to correct imbalances in the RISE Fund. When RISE was created, the DOT received one cent of Motor Fuel Excise Tax, and both counties and cities received half of one cent of excise tax. RISE funding for counties exceeded demand, and this allocation redirects one half of the previous portion of county RISE funds directly to the Secondary Road Fund.	\$6.1 million	An amount equal to 0.25 cent per gallon of motor fuel excise tax. • Iowa Code section 312.2 (10)	1989
Parks and Institutional Roads Appropriation to the DOT to support the construction and maintenance of State-owned roads. The Transportation Commission approves State agency requests to build and maintain roadways and bridges on State-owned land. In 2015, this allocation supported an estimate 600 miles of roads.	\$9.6 million	An amount equal to 0.65% of all RUTF receipts. • Iowa Code section 312.2 (2)	1978
Traffic Safety Projects Funds the Traffic Safety Improvement Program (TSIP) administered by the DOT. The TSIP provides grants to cities and counties for safety improvement projects. Applications are made for one of three categories: site-specific construction improvement, traffic control devices, and research or public information.	\$7.4 million	An amount equal to 0.5% of all RUTF receipts. • Iowa Code section 312.2 (11)	1987
Primary Road Fund Allocation to the PRF enacted to offset the impact of reduced funds to the PRF due to changes to the distribution formula and off-the-top appropriations in the 1977 and 1979 legislative sessions.	\$7.1 million	\$7.1 million per year. • Iowa Code section 312.2 (4)	1978
Primary Road Fund Allocation to the PRF enacted to compensate for increased highway wear associated with higher truck weight limits.	\$4.4 million	\$4.4 million per year. • Iowa Code section 312.2 (7)	1980
Secondary and Urban Expenses Allocation to the PRF to pay expenses incurred by the DOT for services to county and city jurisdictions, excluding primary road extensions in cities.	\$500,000	\$500,000 per year. • Iowa Code section 312.2 (2)	1958

Allocated to:	FY 2017	Formula	Year Enacted
Farm-to-Market Fund Allocation to the Farm-to-Market Road Fund to compensate for increased highway wear associated with higher truck weight limits.	\$1.5 million	\$1.5 million per year. • Iowa Code section 312.2 (7)	1980
<u>Living Roadway Trust Fund</u> Allocation to the Living Roadway Trust Fund to develop roadside vegetation to act as natural windbreaks, wildlife habitat, and roadside erosion control. The Fund is created in Iowa Code section 314.21 , and funding is allocated as follows: 56.0% to the DOT, 30.0% to counties, and 14.0% to cities.	\$100,000 \$150,000	Two allocations of \$100,000 and \$150,000 per year. • Iowa Code section 312.2 (6) • Iowa Code section 312.2 (8)	1989
<u>Railroad Crossing Surface Repair Fund</u> Funds railroad companies and highway jurisdictions in repairing railroad crossings surfaces. Projects are intended to maintain a safe and smooth intersection.	\$900,000	\$900,000 per year. • Iowa Code section 312.2 (2)	1978
<u>Railroad Crossing Safety Fund</u> Funds railroad companies in maintaining crossing signals installed since 1973.	\$700,000	\$700,000 per year. • Iowa Code section 312.2 (2)	1958
<u>Secondary Bridge Fund</u> Allocation to the County Bridge Construction Fund for construction and reconstruction of county bridges.	\$2.0 million	\$2.0 million per year. • Iowa Code section 312.2 (12)	1989
<u>City Bridge Fund</u> Allocation to the City Bridge Fund to support the construction and maintenance of city bridges.	\$500,000	\$500,000 per year. • Iowa Code section 312.2 (12)	1990
Driver's License Suspension Personal Delivery of Service Funds the cost associated with the personal delivery of driver's license suspension notices by law enforcement officers.	\$225,000	An allocation of \$225,000 or enough to fund the cost of personal delivery of driver's license suspension notices by law enforcement officers. • Iowa Code section 321.211	1978
County Treasurer's Equipment (Reg. & Licenses) Supports automation and telecommunications equipment and support for vehicle registration and titling, and driver licensing at county treasurer's offices.	\$650,000	\$650,000 per year. • Iowa Code section 312.2 (13)	1991
License Plate Production Authorizes funds sufficient to pay the costs for purchasing certificates of title and registration forms, supplies, materials, and prison labor used in the manufacture of license plates, emblems, and validation stickers.	\$4.1 million	An allocation sufficient to pay the costs of producing license plates. • Iowa Code section 312.2 (3)	1973
Fuel Tax Refunds Transfer to the Iowa Department of Revenue to reimburse General Fund expenditures for income and sales tax refunds to individuals and corporations.	\$204,000	• Iowa Code section 422.110 through 422.112 .	